

Amendments to the Claims:

These claims will replace all prior versions, and listings, of claims in the application:

1. (currently amended) A method for tracking marketers of a digital product, comprising the steps of:

storing user data associated with a plurality of registered users, wherein said user data includes a user identification code (userID) and payment information corresponding to each registered user of the plurality of registered users;

transferring a data packet associated with the digital product from a registered user of the plurality of registered users to another user, wherein the data packet includes a watermark storing the userID of the registered user such that each subsequent transfer of the data packet between users includes updating the watermark to include a userID of a transferor;

transacting a purchase by the user of the digital product; and

processing the payment information corresponding to the registered user who transferred the data packet for effecting payment to the registered user for the sale of the digital product by the registered user to the user.

2. (canceled)

3. (original) The method of Claim 1, wherein the method is performed in accordance with a multi-level marketing business model.

4.(original) The method of Claim 1, wherein the data packet includes a product content file including the content of the product and a preview file including a sample of the content of the product, and wherein the watermark is embedded in the preview file.

5.(original) The method of Claim 1, wherein the data packet includes a product content file, wherein the watermark is embedded in the product content file.

6.(original) The method of Claim 1, wherein a portion of the data packet is encrypted, and wherein the step of transacting a purchase further includes the step of providing a key for decrypting the encrypted portion.

7.(original) The method of Claim 2, wherein the step of transacting a purchase further includes the step of transmitting the updated watermark.

8.(original) The method of Claim 2, wherein the step of processing the payment further includes the step of receiving the updated watermark.

9.(original) The method of Claim 4, wherein the product content file is encrypted.

10.(original) The method of Claim 4, wherein the preview file is not encrypted.

11.(original) The method of Claim 5, wherein the data packet is secured for preventing use of the product by the user prior to receiving the key for decrypting.

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12.(currently amended) A method for tracking marketers of a digital product, comprising ~~the steps of:~~

updating history data stored within a watermark associated with a digital product every time the digital product is transferred, wherein the history data includes data associated with individuals who have transferred the digital product to another individual, and wherein each subsequent transfer between individuals includes updating the watermark to include a userID of a transferor;

accessing the history data;

transacting a sale of the digital product; and

rewarding the individuals who have transferred the digital product to another individual for effecting a sale of the digital product.

13.(original) The method of Claim 12, wherein the method is in accordance with a multi-level marketing business model.

Claims 14-20. (withdrawn)

21. (currently amended) A ~~business~~ method for enabling peer-to-peer marketing of content, the ~~method comprising, not necessarily in the following order:~~

first transferring a first embodiment of at least one software module from an originator to a prospective reseller, the first embodiment being readable by at least one data processing device, the software module being adapted to

verify a watermark;

update sale history information upon transfer of a digital product; and

inform an originator of any such transfer of the digital product; and

second transferring, at least one second embodiment of at least one data package from the originator to the prospective reseller, the second embodiment being readable by at least one data processing device, the data package comprising a respective watermark, respective sale history information, and a respective digital product that is separate from the respective watermark, wherein each subsequent transfer includes updating the watermark to include a userID of a transferor.

22. (previously presented) The method of claim 21, wherein the data package comprises

at least one encrypted product content file;

at least one key for use in decryption of the encrypted file; and

at least one preview file comprising the respective watermark, the preview file not being encrypted.

23. (previously presented) The method of claim 22, wherein

the encrypted product content file comprises at least one decryption key, identification of the digital product associated with the prospective reseller, and a respective second watermark; and

the preview file comprises the respective sale history information.

24. (previously presented) The method of claim 21, wherein the module is adapted to encrypt the respective watermark so that it is not accessible to the prospective reseller.

25. (previously presented) The method of claim 21, wherein the module is adapted to complete commercial aspects of transactions with second level consumers wishing to purchase the respective digital product from the prospective reseller.

26. (previously presented) The method of claim 21, wherein the module is adapted to allow second level consumers to transfer the respective digital product without purchasing it.

27. (previously presented) The method of claim 21, wherein the watermark is adapted to comprise respective sale history information for each transfer of the data package during peer-to-peer sharing and to report the same to the originator.